



SUBCOMMITTEE ON PUBLIC SAFETY APPROPRIATIONS

Gus Bilirakis, Chair

ACTION PACKET

February 10, 2004
10:00 a.m. – 5:00 p.m.
12 House Office Building

COMMITTEE MEETING REPORT

Subcommittee on Public Safety Appropriations

Tuesday, February 10, 2004 9:00:00AM

Location: 12 HOB

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Gus Bilirakis (Chair)	X		
Sandra Adams	X		
Gustavo Barreiro	X		
Adam Hasner	X		
Bob Henriquez	X		
Wilbert Holloway	X		
Matthew Meadows	X		
Mitch Needelman	X		

Other Business Appearance:

Richard Prudom, Deputy Director (State Employee) - Information Only

Governor's Recommendation
Florida Department of Corrections
2601 Blainstone Road, Bldg C
Tallahassee FL 32399
Phone: 850-488-4250

Electra Bustle, Legislative Affairs Director (State Employee) - Information Only

Governor's Recommendation
Florida Department of Law Enforcement
2331 Phillips Road
Tallahassee FL 32307
Phone: 850-410-7001

Mark Fontaine, Executive Director - Information Only

DJJ Budget Request
Florida Juvenile Justice Association
411 Office Plaza Drive
Tallahassee FL 32301
Phone: 850-671-3442

Brad Thomas, Public Safety Policy Coordinator - Information Only

Governor's Recommendation
Office of Policy and Budget
1801, The Capitol
Tallahassee FL 32399
Phone: 850-414-8570

William Bankhead, Secretary (State Employee) - Information Only

Governor's Recommendation
Florida Department of Juvenile Justice
2737 Centerview Drive
Tallahassee FL 32399
Phone: 850-488-1850

Larry Birch, President (General Public) - Information Only

Juvenile Justice Services
The Grove Counseling Center, Inc.
583 East SR 434
Longwood FL 32750
Phone: 407-327-1765

Gino Shahan Jamison, Community Services Director (General Public) - Information Only

CINS/FINS RFP
ANCOFI
1716 South West 5th Court
Tallahassee FL 32312
Phone: 954-261-7274

Mathes Guice, President (General Public) - Information Only

CINS/FINS RFP
Alliance For Action, Inc.
4900 W. Hallandale Beach Blvd.
Tallahassee FL 33024
Phone: 954-964-2901

Arlon Kennedy, Treasury (General Public) - Information Only

CINS/FINS RFP

Community Based Organization
1021 Sistrionic Blvd.
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Phone: 954-415-1357

Nathaniel Knowles, Executive Director (General Public) - Information Only
CINS/FINS RFP
AACOFI
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Deerfield Beach FL 33441
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Dee Richter, Executive Director (Lobbyist) (General Public) - Information Only
CINS/FINS RFP
Florida Network of Youth and Family Services
2850 Pablo Avenue
Tallahassee FL 32309
Phone: 850-922-4324

Willie Myles, Executive Director (General Public) - Information Only
CINS/FINS RFP
Alliance For Action Council of Florida, Inc.
7264 W. Oakland Park Blvd.
Lauderhill FL 33313
Phone: 954-578-6604

Janet. V. Ward, President/CEO (General Public) - Information Only
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Lauderhill FL 33064
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Meg Bates, Associate Director (Lobbyist) (General Public) - Information Only
Juvenile Justice Services
Hurricane Island Outward Bound
177 Salen Court
Tallahassee FL 32301
Phone: 850-487-4365

Trevor Mask, Governmental Liaison (Lobbyist) (General Public) - Information Only
Governor's Recommendation
Florida Association of Counties
100 South Monroe Street
Tallahassee FL 32312
Phone: 850-922-4300

Nick Millar, Director of Governmental Affairs (General Public) - Information Only
Continuum of Services
Associated Marine Institute
2016 Sara Lee Lane
Tallahassee FL 32303
Phone: 850-508-2971

Faren Brown, PACE Student (General Public) - Information Only
Governor's Recommendation
PACE Center for Girls
1344 Cross Creek Circle
Tallahassee FL 32301
Phone: 850-921-9280

Debbie Moroney, Executive Director (General Public) - Information Only

Governor's Recommendation
PACE Center for Girls
1344 Cross Creek Circle
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Phone: 850-921-9280

George Magrill, CEO (General Public) - Information Only
CINS/FINS RFP
Youth & Family Alternatives
7524 Plathe Road
New Port Richey FL 34653
Phone: 813-816-2715

Mathieu Daquin, Executive Director (General Public) - Information Only
CINS/FINS RFP
AACOFI
2645 Executive park Drive
Weston FL 33331
Phone: 954-385-3005

Joshua Ford, CEO (General Public) - Information Only
DJJ Perdiem Increase
Central Florida Youth Services
4705 US Hwy 17 North
Bowling Green FL 33331
Phone: 727-946-2053

David Smith, Director (General Public) - Information Only
DJJ Perdiem Increase
First Step Adolescents Services
125 Geneva Drive
Oviedo FL 32765
Phone: 407-977-0420



FLORIDA DEPARTMENT OF CORRECTIONS

Governor's Recommended
Budget FY 2004-05

Jeb Bush, Governor

James V. Crosby, Jr., Secretary

Focus on Core Mission

- The Department of Corrections protects the public by operating a safe and efficient corrections system.
- The department incarcerates 79,000 inmates and supervises 153,000 offenders in the community.
- The Governor's recommendations for FY 2004-2005 focuses on:
 - providing appropriate funds for the projected increase in population
 - restores substance abuse programs to FY 2001-2002 levels
 - provides additional support to Security and Community Corrections in their fulfillment of the core mission

Florida's Prison Population

CJEC As of June 30



- Increase in CJEC projections first identified in July 2003
- Special session in August 2003 addressed additional funding to accommodate the immediate increase in the inmate population
- Further construction is critical to maintain bed capacity in light of most recent CJEC population projections. Inmate population is anticipated to reach 84,624 by June 2005.

Funding for Prison Construction

- Governor's Recommendations provides \$99.6 million for the construction of 3,760 prison beds.
- Completes current construction of Santa Rosa Annex (1,380 beds). Initial appropriation received in Special Session
- Completes Washington Annex (1,380 beds). Initial appropriation received in Special Session
- Constructs 2 work camps (262 beds each).
- Constructs additional secure and open bay female housing units (476) at Lowell Annex.
- \$1.8 million in addition for land acquisition, permitting and preparation of future prison site.

Funding for New Prison Population

- The Governor's Recommendations provides \$30 million and 600 positions for security, health care services, programs and other prison support staff to address the increased inmate population.
- A total of 1,972 beds will be phased-in during FY 2004-2005, including 600 contracted work release center beds.
- \$8.9 million is also provided for the operation of an additional 1,086 private facility beds.

Substance Abuse Funding

- Adds \$4.1 million to current appropriation of \$25.8 million to restore community corrections substance abuse programs to 2001-02 level of \$29.9 million.
- Adds \$8.3 million to current appropriation of \$4.7 million to restore prison substance abuse programs to 2001-02 level of \$13 million

Salary Lapse Factor

- In order to pay annual leave payments upon employee terminations and remain within appropriation, 4.2% of positions must be held vacant.
- Critical concern for typical prison which must be staffed for three shifts, seven days a week.
- Funds \$ 15.8 million to provide a more manageable and uniform salary lapse of 2.5%.

Health Services Funding

- Funds \$12.6 million to address anticipated deficit which is due to increased cost of providing appropriate healthcare.
- For 12 months ending September 2003, the medical care component of the consumer price index was 7.0% in hospital costs and 4.4% in other medical/ancillary services.

Price Level Increases

- Food service contract
2% price level increase = \$ 1.4 million.
Total projected expenditures \$70.5 million
- Private correctional facilities
3% price level increase = \$2.5 million.
Projected expenditures \$93 million
- Health services private contracts
3% price level increase = \$2.1 million.
Projected expenditures \$ 80.3 million

Outsource Operation of Inmate Canteens

- Eliminates 60 positions and \$2.5 million in related costs with expected increase in canteen profits of \$3.5 million for a total of \$6 million
- Governor redirected \$3.1 million of these efficiencies to fund:
 - \$2.1 million for private vehicle insurance for probation officers
 - \$1.0 million for critical vehicle replacements

Elimination of Pre-Trial Intervention Supervision Services

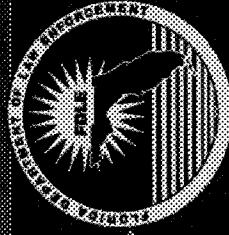
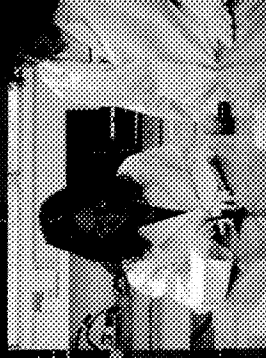
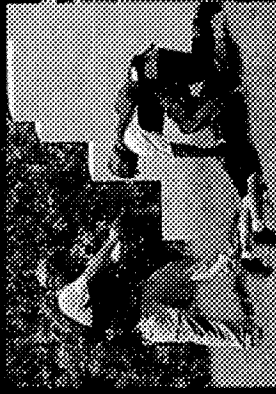
- Eliminates 76 positions and related costs of \$3.9 million
- Non-mission critical function of supervising persons arrested for certain minor offenses
- Service to be phased-out through attrition and discontinuing referrals

Repairs and Maintenance

\$6.1 million in critical maintenance needs:

Request only includes issues that are required to ensure public and personal safety or prison capacity.

- ✓ Roof replacement
- ✓ Locks, doors, and control panels
- ✓ Security/facility repairs & improvements
- ✓ Environmental/health issues

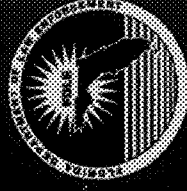


Florida Department of Law Enforcement FY 04-05 Legislative Budget Request

House Appropriations Subcommittee on Public Safety

February 10, 2004

Fiscal Year 2004-2005 Governor's Recommended Budget



	General Revenue	Trust Funds
Continue Perf. Based Comp. Plan	\$ 105,877	\$ 47,219
Continue Sworn Structured Plan	\$ 246,560	
Continue ICHS Development	\$2,876,000	\$4,625,241
Continue Computer Crime Center	\$ 650,000	(\$ 650,000)
Continue FACTS		\$1,600,000
Continue Lab Equipment Match		\$ 200,000
Replace Microscopes		\$ 725,000

TOTAL \$10,425,897

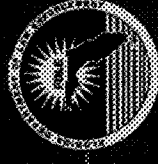
Proposed Reductions (\$ 1,418,850)

NET INCREASE \$ 9,007,047

Performance Based Compensation Plan

\$153,096

(\$105,877 GR; \$47,219 TF)

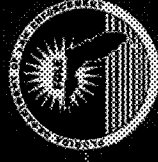


- Funding requested for 6th year of Plan
- Plan provides 2% salary increases to qualified members who exceed their workplan expectations
- Performance Pay has led to:
 - ✓ Increased Productivity
 - ✓ Improved Performance
 - ✓ Incentive to achieve agency performance measures

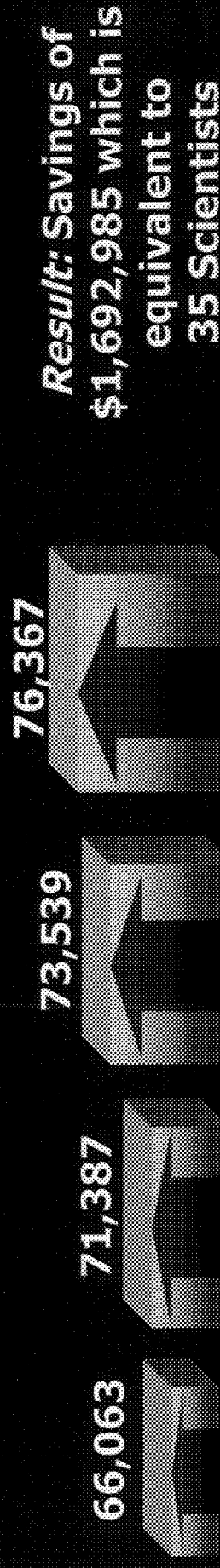


Note: Annualized Cost \$1.8 M

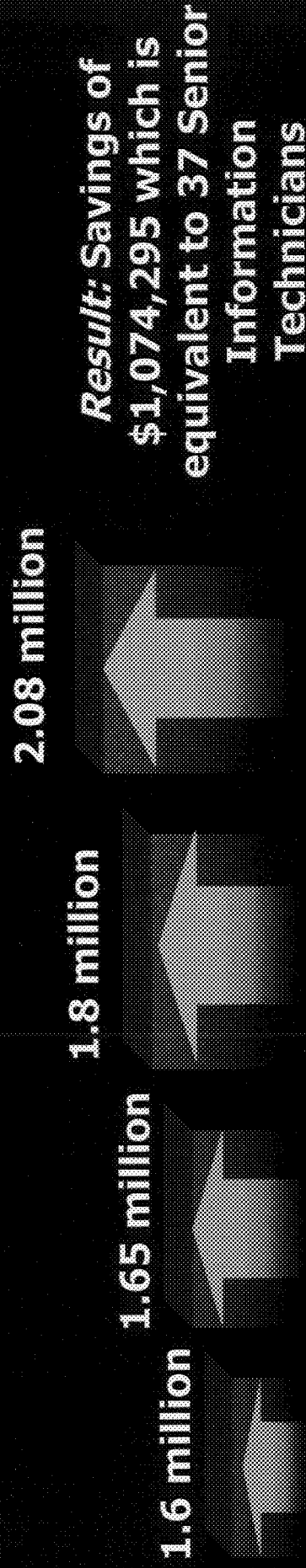
Performance Pay Yields Results!



Number of Laboratory Service Requests



Number of Criminal History Record Checks



Sworn Structured Retention and Recruitment Plan \$246,560 General Revenue



- Plan designed to retain and recruit trained and experienced special agents
- Funding requested for 2nd year of Plan
- Expect to lose approx. 29% of special agents between 2003 and 2008



Years of Service	Proposed Increase
3.0 – 5.9	\$3,000
6.0 – 9.9	\$5,000
10.0 – 15.9	\$4,000
16.0 – and Up	\$3,000

Integrated Criminal History System

\$7,501,241 (\$2.9 m GR; \$4.6 m TF)



- Combines Computerized Criminal History System & the Automated Fingerprint Identification System
- Nearly \$10 m already invested to date
- Scheduled for initial implementation December 2004
- ICHS will :
 - Provide offender images, palm prints, and other identifying information not currently available
 - Have ability to search multiple indexes with one query
 - Notice probation officers when individual is arrested
 - Produce "readable" rap sheets

Continue Florida Computer Crime Center \$650,000 General Revenue



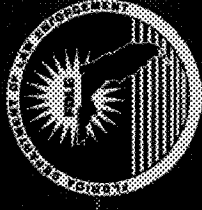
- 4 year Byrne grant expiring
- Grant funded Florida Computer Crime Center (FC3) and Computer Evidence Recovery (CER) Section

Since inception, the FC3 and CER Section have:

- Worked approx. 1,000 investigative assistance cases
- Trained 4,000+ criminal justice professionals
- Provided analyses on computer media with an average turnaround time of 28 days

Factual Analysis Criminal Threat Solution

\$1,600,000 Trust Fund



- Provides public / private data through on line access
- Reduces analytical time and effort from hours to minutes
- Provides ability to run reports, queries and "map" subject addresses and relationships
- Currently in use to support general investigations and domestic security investigations



Forensic Lab Equipment \$200,000 Trust Fund Match



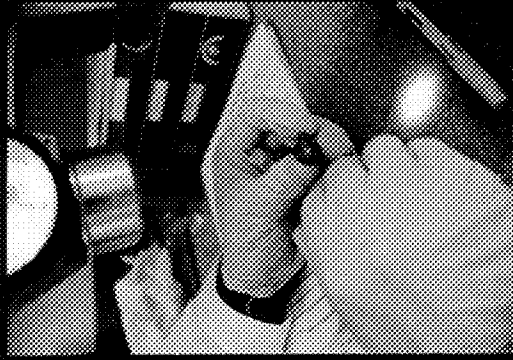
- FY 03-04, FDLE crime labs received a \$600,000 Byrne Grant to purchase expendable forensic supplies
- \$200,000 in recurring Operating Trust Fund requested to provide Byrne match



Funds would provide:

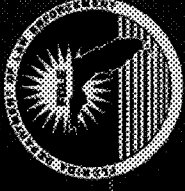
- Personal protective equipment
- Chemical reagents and standards
- Disposable glassware
- Fingerprint powder
- Dye stains
- Computer discs
- Evidence packaging supplies

Scanning Electron Microscopes \$725,000 Trust Fund



- FDLE's scanning electron microscopes are in need of replacement
 - 9-12 years old
 - Reaching their life-span capacity
 - No service contract
 - Difficult to get replacement parts
- Equipment used to analyze paints, glass, filaments, gun shot residue
- FDLE processed 854 microanalysis cases last year
- Trust fund authority requested to purchase 3 new microscopes @ \$242,000 each

Supplemental Budget Issues



Expiring DNA Database Grant \$1,423,024 (GR)

- Federal funding for collecting / analyzing / storing DNA samples no longer available
- Florida's DNA database among the most successful in nation – 1900+ investigations aided!
- Collections growing!
 - July 1, 2004 – collect for violent felonies
 - July 1, 2005 – collect for ALL felonies



Service ★ Integrity ★ Respect ★ Quality

Department Of Juvenile Justice

Governor's Budget Request

FY 2004-05

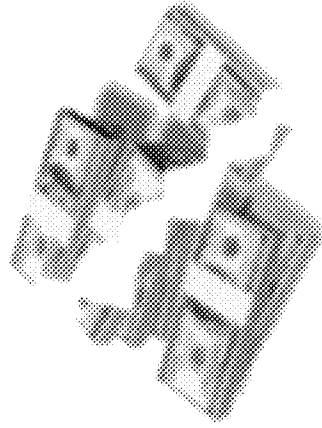
Jeb Bush, Governor
W.G. "Bill" Bankhead, Secretary

January 20, 2004

Anticipated Federal Funding Cuts

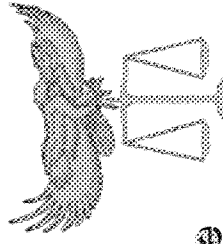
Replace Funds From Federal Grants With State General Revenue

- JAIBG Aftercare Services
\$1 Million
- JAIBG Mental Health Services
\$3.2 Million
- VOITIS Substance Abuse Overlay
\$3.4 Million



\$7.6 Million

Needed to offset loss of Federal Funding



Prevention & Diversion

- **Create a Neighborhood Accountability Board in each Judicial Circuit**

\$330,000

- **Expansion of diversion services**

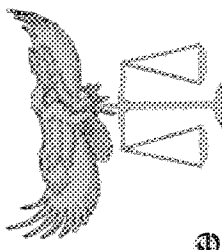
\$255,000

- **Increase prevention spending authority**

\$2 Million

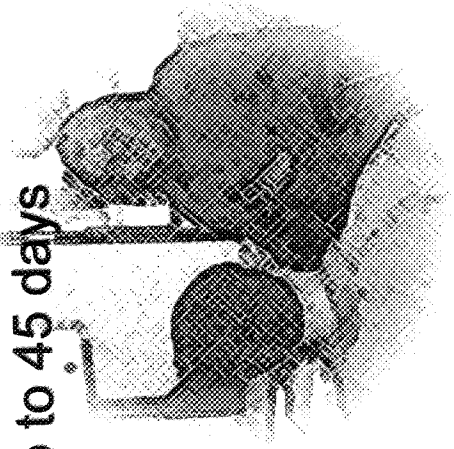


More than \$2.5 million
New budget items and spending authority

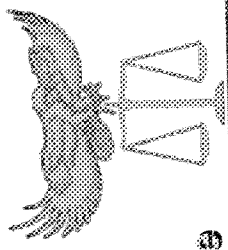


Re-Direction Pilot Program

- Optional placement for technical violations of conditional release or probation
- In lieu of long-term residential
- Transfers funds by reducing 75 low-risk beds (Saves \$2.4 Million)
- Provides re-direction unit commitment for up to 45 days
- Transition to community wrap-around services
- Utilize proven programs... Family Functional Therapy or Multi-Systemic Therapy



\$1.7 Million

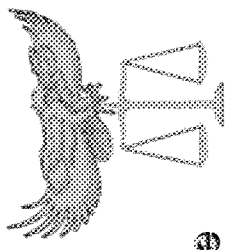


Other Key Issues

- **Reduce High Salary Lapses to 5%**
\$2.6 Million
- **Information Technology Licensing Fee**
 - Upgrade desktop productivity applications
\$900,000
- **Facility Repairs & Maintenance**
\$2 Million
- **Motor Vehicle Replacement**
 - Retire high-mileage vehicles that transport youth
\$1 Million

\$6.5 Million

Expense Increase

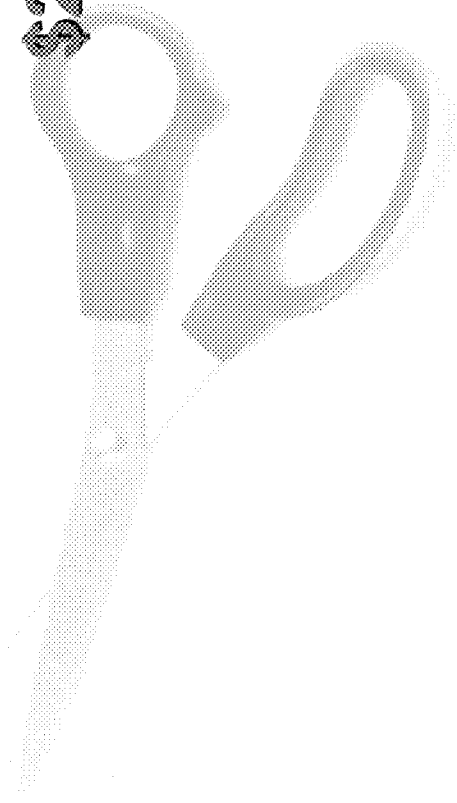


Streamlining Operations

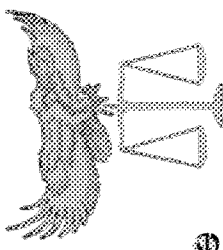
- **Administrative Reductions**
 - **Eliminate 10 Positions**

\$684,000 Savings
- **Eliminate Electronic Monitoring**

\$2.2 Million Savings

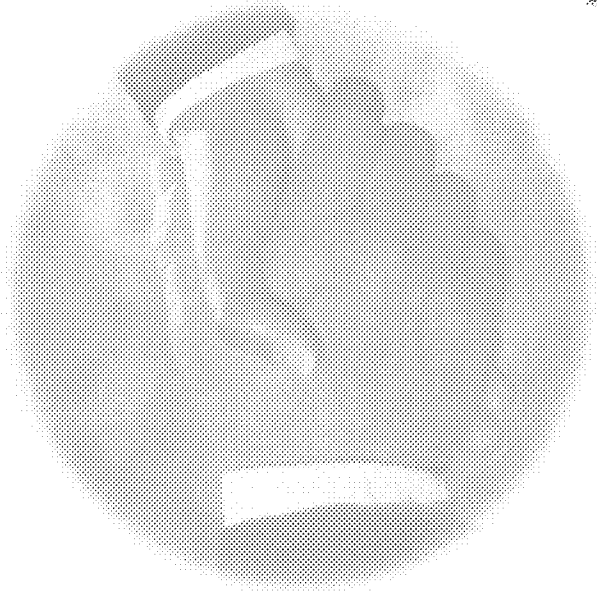


\$2.9 Million Savings

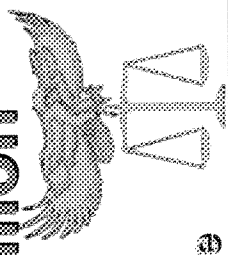


Partnering With Local Government

- **DJJ and counties share costs for secure detention**
 - **Counties fund secure detention services for juveniles prior to judicial disposition**
 - **Small County Exemption (Critical Concern)**



\$68 Million



Recap

Highlights of Governor Bush's Juvenile Justice Budget

- \$6.2 Million Increase

plus

- Re-Direction of Technical Violators

plus

- Expansion of Prevention & Diversion, programs

plus

- Better Maintained Facilities, Expanded Medical, Mental Health and Substance Abuse Programs

plus

- Enhanced Focus On Community Partnerships
-

Rate Study Project Update for Juvenile Justice Services in Florida

Rate Study Project Update

February 2002

SUMMARY

- Present per diem rates for care and custody are inadequate.
- DJJ/Provider cost models for residential programs have been developed.
- Existing specialty rates appear appropriate.
- Administrative and program efficiencies have been adopted.
- A state law change is recommended to give providers access to state purchasing.
- Future project work will address revenue maximization and other long-term strategies.

BACKGROUND

High staff turnover and the increased cost of doing business in juvenile justice programs, both state and provider operated, prompted the Department of Juvenile Justice to take a careful look at the rates paid for service delivery. In 1992, the year prior to the creation of the Department, basic rates for residential and day treatment services were established by the legislature. A separate rate was established for each of the four levels of residential commitment. That year the legislature funded, at the established care and custody rates, the first increase in bed capacity since the early 1980's. Funding beds at these set rates continued until 1999 when the legislature began funding the low and moderate risk beds at an average rate.

With the creation of the Department of Juvenile Justice and a new emphasis on public safety, the courts and law enforcement began to utilize juvenile justice services with a new vigor. The need to provide specialty mental health, substance abuse, and sex offender services for this population became critical.

Surveys indicated that approximately 49% of the youth in the juvenile justice commitment programs were in need of these services. In 1998 the legislature began to fund specialty programs at a higher rate. During the 2001 legislative session, the legislature, following the Governor and the Department's recommendation, appropriated funding for the operation of 1,152 new beds all at the specialty rate. This emphasis on specialty services assisted the state in settling the ME vs. Bush lawsuit that had been active since the early 1990's, and significantly closed the previous gap between identified need and services delivered.

Since the rates were set in 1992, there have been no cost of living adjustments to that rate. During the same period, from 1992-2001, the Consumer Price Index has increased by 15.8% and the Employee Cost Index has risen by 20.1%. Salaries paid for public safety employees have been addressed over the past several years by the legislature. In 2000 the legislature granted juvenile detention workers an 8% increase. That same year all state law enforcement officers received a 9% salary adjustment. During the 2001 legislative session, correctional officers received an 11% salary adjustment and private prisons under the auspices of the Correctional Privatization Commission were granted a 3% cost of living adjustment.

Accountability and efficiency have been central themes of the legislature over the past several years. Performance based budgeting, quality assurance, risk management, and cost-benefit reporting have all contributed to the cost of delivering juvenile justice services. In addition, the background screening requirements have narrowed the employee pool available to work in juvenile justice programs.

The dramatic turnover in juvenile justice professionals, recognition that the cost of service delivery has increased over the years, and the lack of an established rate-setting system, prompted the Department of Juvenile Justice to conduct a comprehensive review of this issue.

METHODOLOGY

The rate study project has completed two phases of an anticipated three-part effort. In the summer of 2000 Phase I began when the Department of Juvenile Justice contracted with James Moore, Inc., an independent auditing firm, to conduct an audit of 225 juvenile justice programs, both state and provider operated. This cost study report was designed to provide a comprehensive analysis of rates paid by the Department for service delivery across the continuum of services. The audit was to determine if the resources committed by the state for juvenile services were in fact being spent on the delivery of those services. The auditors visited 225 programs and conducted an on-site verification of the cost of service delivery.

Phase II of the rate study project began in January 2001. The Department created a Rate Study Steering Committee, which was broken into five workgroups each co-chaired by a provider CEO and by an Assistant Secretary of the Department. A series of provider and Department content experts were appointed to each of the workgroups. Each workgroup was assigned one aspect of the comprehensive rate study. The five areas covered included:

- Administrative Efficiencies – charged with determining efficiencies that could be achieved by reducing duplication of requirements, coordination of monitoring visits, and better coordination between policy and practice
- Program Efficiencies – charged with determining if efficiencies could be achieved by providers having access to bulk purchase of certain commodities or if efficiencies could be achieved by allowing providers to tap into the state contract for certain goods and services
- State Comparison – charged with surveying service delivery strategies, per diem rates, and contracting practices used in other states to determine efficiencies that might be used in Florida
- Funding Sources – charged with determining if there are other state or federal funding streams that could be accessed to help support juvenile justice service delivery
- Cost Model Development – charged with building cost models for basic care and custody services; specialized mental health, substance abuse, and sex offender services; and a cost model for girls programming

Each group was assigned the duties of thoroughly researching the topic, developing findings, and making recommendations for enhancing juvenile justice practice in Florida. Recommendations were only adopted if there was a consensus of the Rate Study Steering Committee.

To assist with the study, the Department worked with two consulting firms; each assigned a specific area of research. MAXIMUS explored state and federal funding sources to make preliminary recommendations on what additional funding streams might be utilized by the Department of Juvenile Justice to maximize federal and state revenue. KPMG was hired to conduct a comprehensive salary review and analysis of turnover rates both at state and provider facilities and to determine the cost range of the labor component of residential service delivery. A total of 62 programs responded to the survey and offered salary and turnover comparisons. In addition KPMG gathered salary data from other states and compared juvenile justice salaries with similar positions in the Department of Corrections and the Department of Children and Families.

Phase III of the rate study project will consist of: 1. Completing a thorough revenue maximization analysis; 2. Developing recommendations on recruitment and retention of employees; and 3. Implementing final recommendations in each project area, subject to availability of funding.

FINDINGS

The James Moore, Inc. study found that, overall, the cost of service delivery is greater than the reimbursement rate paid for these services. The report cited the need for additional research into:

- Funding gender specific programs
- The impact an increase in salaries will have on staff turnover
- Use of specialty per diem rates for mental health care

On another note the consultants surveyed 120 staff at existing juvenile justice programs. A majority of the employees that responded, 79%, believed their current salary was not competitive with other professionals in similar positions.

The consultants recommended the creation of a cost study workgroup to develop cost models for juvenile justice programs. The report recommended an average rate increase of 6% across all levels of juvenile justice services. James Moore also recommended that an annual rate adjustment based on the Consumer Price Index (CPI) be implemented in order to compensate for escalation of costs.

MAXIMUS investigated opportunities for additional federal revenue claiming by the Department of Juvenile Justice and to validate, if possible, the revenue maximization opportunities for the Department of Juvenile Justice. MAXIMUS determined that additional federal recoveries might be possible under Medicaid, Title IV-E, and possibly TANF. To pursue these possibilities, the Department of Juvenile Justice would need to commit significant resources to create the processes and systems to provide an infrastructure for federal claiming. The consultants estimated that 12-18 months would be required to implement these new programs.

The consulting firm of KPMG completed a comprehensive salary survey in conjunction with the rate structure exercise. The survey looked at salaries, benefits, staff allocation, and turnover. The firm received survey replies from 62 residential programs (17 state-operated programs and 45 private programs). Survey results revealed:

- Across care and custody staff, provider salaries averaged \$2,000-\$3,000 per employee below the Department
- Across senior management and medical positions, providers pay \$2,000-\$3,000 more than the Department
- Due to the use of certified law enforcement officers, boot camps have a higher salary demand than a comparable program
- DJJ and provider salaries are below what the Department of Corrections and privatized prisons pay comparable employees
- The aggregate weighted annual turnover was 55% for the basic care and custody positions and 35% for the basic counselor positions. The unit supervisors had a 27% annual turnover rate.

The Administrative Efficiencies Workgroup found that there are redundancies and inconsistencies among standards, policies, and responsibilities within and among governmental agencies that reduce effi-

ciencies and increase costs. Some of the recommendations include:

- Examine existing systems to rectify imbalances among standards, policy requirements, and funding capabilities.
- A cost benefit analysis of proposed standards, policies, and service requirements should be conducted prior to implementation.
- DC&F, DJJ, and the AHCA should coordinate and agree on common practice standards
- Programs receiving a satisfactory or better QA review should be reviewed on a biennial basis
- Control the proliferation of mandatory forms, reports, manuals, and standards and eliminate the duplication of monitoring and audit functions.
- Eliminate the requirement that the independent audit form completed by the provider be certified by an independent auditor
- Consideration should be given to increasing the length of contracts for providers with satisfactory performance and consolidating contracts on the same site

A series of meetings between DJJ and provider representatives in recent weeks resulted in adopting, in whole or in part, approximately forty different efficiency ideas.

The State Comparison Workgroup attempted to compare Florida contracting practices and rates for contracted services with those in other states. The response to the survey was limited. The workgroup recommended that it would be a disservice to the process to attempt to make conclusions based on limited and sketchy survey information. The group recommended that funding be designated to identify a research group that can thoroughly investigate the per diem rates and practices of three or four select states comparable to Florida.

The Program Efficiencies Workgroup was charged with determining the feasibility of using bulk purchasing power to achieve greater efficiencies and cost savings. The group found that efficiencies are already being achieved through use of existing services such as PRIDE, SUNCOM, RESPECT, and CMBEs. Also they found that an efficiency of .29-.44% could be achieved if providers were allowed to access state purchasing contracts. Finally the group concluded that a purchasing cooperative among providers would probably realize minimal savings over the expense of operating such an operation.

The Funding Sources Committee was charged with examining how to maximize local, state, federal, and private funding sources. The consulting firm MAXIMUS assisted the workgroup. The group concluded that there are opportunities to maximize federal dollars, but to earn the dollars, the processes are complex. To maximize funding opportunities there must be significant inter-agency coordination between state agencies. Also there appears to be opportunities to partner with Workforce Florida to access job development and placement services for juvenile justice youth. Finally the group cautioned on the pitfalls of revenue maximization efforts. The group recommended:

- Set priorities where maximizing federal funds makes the most sense
- Develop a Workforce Florida initiative
- Contract with a consultant to develop a federal maximization plan for the Department
- Maximizing these funding sources should result in improving services and outcomes, not supplanting
- The workgroup should continue in order to guide these efforts

The Cost Model Workgroup was broken into four subcommittees:

The CINS/FINS subcommittee concluded that the data was not presently available to develop a cost model for CINS/FINS services. This is one of the activities that would be taking place this year under the new statewide CINS/FINS contract with the Florida Network of Youth & Family Services.

The Day Treatment Workgroup offered a cost model for day treatment. There was considerable dialogue regarding the cost of day treatment services and the deliverables of day treatment. It became clear in developing the model that there is wide variability in what is defined as day treatment from a girls specific PACE program, to a boot camp re-entry program, to an Associated Marine Institute program. There also was unclarity regarding the requirements for pre-commitment day treatment and conditional release day treatment. Also, the hours of operation of these facilities varied greatly from an 8 to a 12-hour coverage day. The decision was made to continue to study this issue over the next year.

The Basic Care and Custody Workgroup proposed a model rate for basic care and custody services utiliz-

ing 24, 48, and 96-bed scenarios. This "model" rate would provide adequate staff and services to operate effectively 7/24/365 at the existing staffing pattern requirements and to meet the basic medical, recreation, nutrition, and custody needs. The recommended rate is between \$91-\$107 a day. Also the Steering Committee agreed that girls programs cost slightly more in order to compensate for additional medical expenses, gender-specific training, increased clothing demands, and feminine hygiene products. It appears the differential to cover these expenses would be approximately \$11 a day.

The Specialty Services workgroup recommended that a comprehensive evaluation be conducted on each youth prior to placement in a program and that the results of the evaluation be used to drive the placement, especially as it relates to the need for specialty services. The group offered a rationale for and program description of several specialty programs including: behavioral health overlay services (BHOS), mental health overlay services, intensive mental health residential program, residential substance abuse program, developmentally disabled residential program, and intensive sex offender residential program. The scenario presented also described the professional training and staff credentials necessary to operate an effective specialty program. The rates proposed for specialty services would be an add on to the basic care and custody rate. The proposed specialty rates to operate a specialty program range from \$28 a day for mental health overlay services to \$60 a day for an intensive residential sex offender program.

CONCLUSIONS

The purpose of the rate study project over the past two years was to determine the true cost of services based on a careful and comprehensive evaluation of service requirements and standards for service delivery, leading to the development of an equitable and predictable rate-setting system. In addition an attempt was made to compare Florida against other states and look at additional revenue streams and efficiencies that could enhance revenue or decrease requirements. The following conclusions were drawn from this effort:

1. **Staff Turnover:** Turnover of staff working in juvenile justice programs is dramatic. The constant cost associated with turnover, such as addi-

tional background screening, training, and overtime, all contribute to an increased cost of service delivery. Staff turnover is a constant stress to the effective operation of all juvenile justice programs and is a threat to public safety. Well-trained and well-rested staff are less likely to make a critical mistake that will result in an escape or other serious consequence.

2. **Salaries:** Salaries at juvenile justice programs are lower than comparable positions in the Department of Children and Families and dramatically lower than comparable positions in the Department of Corrections or other law enforcement agencies. Provider salaries at all levels except top management are paid \$2,000-\$3,000 less than comparable Department of Juvenile Justice positions. Providers pay top managers \$2,000-\$3,000 more than DJJ. The salaries for the care and custody positions are paid at such a low level that is hard to recruit and retain competent professionals who can make it through the background screening.
3. **Rising Costs:** Cost of service delivery, outside the control of the state or providers, increases annually. There is clear documentation of escalating costs for all types of insurance including workers compensation, medical expenses continue to rise, pharmaceuticals have risen dramatically, and all energy costs have risen substantially since rates were set last decade. Both the James Moore, Inc. study and the cost model exercise confirmed this fact. Without a mechanism to increase contracts to cover these expenses, the salary line becomes the only place to recoup these expenses.
4. **Adequacy of Existing Rates:** The study concluded the basic care and custody rate is below, by approximately 20%, the amount needed to adequately provide services and meet the requirements of the state. The high turnover rate of staff and low salaries paid are indicators of the inadequacy of the existing base rate. The specialty rate recently utilized by the legislature to fund specialty services is adequate.
5. **Specialty Services:** There is a documented need for specialty services to effectively treat the needs of juvenile offenders. The recently settled ME vs. Chiles lawsuit recognized the effort of DJJ to expand these services. The James Moore, Inc. study concluded a differential is needed to the care and custody rate to fund these services.
6. **Efficiencies:** There is an opportunity to reduce the burden on providers and state operated programs by eliminating duplication of requirements and through better coordination between DJJ and the other state agencies funding or licensing juvenile justice programs. The Department has recently initiated several workgroups with the task of achieving these efficiencies.
7. **Funding Sources:** The study concluded there are some limited possibilities for the Department to garner additional federal funding support. However these programs would require additional staffing capability at the Department to secure these resources. In addition it would take 12 to 18 months to find out the extent these resources might be available to support the base of service delivery.
8. **Accountability:** The creation of the Department of Juvenile Justice by the legislature resulted in restored credibility to the juvenile justice system. New accountability measures such as quality assurance, performance based budgeting, and cost-benefit analysis has resulted in more efficient and effective juvenile justice programs. Programs that could not meet these standards have been terminated.
9. **State Comparisons:** The way Florida delivers and pays for services appears to be dramatically different from other states. Florida contracts more juvenile justice services than any other state in the country. No conclusions should be drawn from a comparison with other states without an in-depth analysis based on detailed information from other states and an understanding of how their per diem rates and program delivery system differs from Florida.

MAJOR RECOMMENDATIONS FOR CONSIDERATION

1. Adopt the cost model rate structure jointly developed by DJJ and providers.
2. Apply new or future funding increases to implement the proposed rate structure in order to adequately provide for the myriad of services called for in statute.
3. Continue to fund existing specialty rates for mental health, substance abuse, developmentally disabled and sex offender services in residential programs.
4. Provide a cost differential for girl's residential facilities to adequately fund the higher costs for these programs.
5. Provide an appropriate cost differential to provider-owned facilities.
6. Establish an appropriate cost of living adjustment mechanism to maintain service levels and quality.
7. Revise statutory language to allow juvenile justice providers to access state purchasing.
8. Continue to pursue on an annual basis administrative and program efficiencies.

Frank Alarcon, Deputy Secretary, Florida Department of Juvenile Justice, and Mark Fontaine, Executive Director, Florida Juvenile Justice Association, jointly authored this Rate Study Project Update.

RATE ADJUSTMENT ALLOCATIONS

PER PROGRAM

FOR

2002 & 2003

METHODOLOGY FOR 2002 PER DIEM INCREASE

Pursuant to the General Appropriation 2002, which provides \$1.65 million from General Revenue for per diem increases to address current inequities among providers, the Department has allocated the funds as follows:

1. The Department identified programs with the lowest per diems.
2. The Department increased each of these programs' per diem based on the size of the program according to the table below.

Number of Beds	New Per Diem	Number of Programs Affected
1 - 36	\$ 78.50	17
37 - 74	\$ 77.50	10
75 - 110	\$ 76.50	7
111 - 178	\$ 75.73	1
179 - 200	\$ 75.72	1
201 - 350	\$ 74.50	1

Program Name	Beds	Utilization	Risk Level	Current Per Diem	New Per Diem	Difference	Per Day	Annual
JD STOP	19	72%	Low	\$ 75.00	\$ 78.50	\$ 3.50	\$ 66.50	\$24,272.50
GROVE- GUYS	22	95%	Mod	\$ 74.00	\$ 78.50	\$ 4.50	\$ 99.00	\$36,135.00
Seminole Work and Learn	24	83%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 84.00	\$30,660.00
Impact House	25	81%	Mod	\$ 71.31	\$ 78.50	\$ 7.19	\$ 179.75	\$65,608.75
Sawmill Academy	27	95%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 94.50	\$34,492.50
Better Outlook Center	28	107%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 98.00	\$35,770.00
*Space Coast Marine Inst.	30	93%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 105.00	\$38,325.00
Bay Boot Camp	30	64%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 105.00	\$38,325.00
*WINGS	30	76%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 105.00	\$38,325.00
San Antonio Boys Village	30	91%	Mod	\$ 75.92	\$ 78.50	\$ 2.58	\$ 77.40	\$28,251.00
Manatee Boot Camp	30	83%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 105.00	\$38,325.00
Collier DRILL	30	95%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 105.00	\$38,325.00
GROVE- GOALS	32	95%	Mod	\$ 74.00	\$ 78.50	\$ 4.50	\$ 144.00	\$52,560.00
Wilson Road Academy	32	99%	Mod	\$ 70.00	\$ 78.50	\$ 8.50	\$ 272.00	\$99,280.00
Peace River OB	35	79%	Low	\$ 75.00	\$ 78.50	\$ 3.50	\$ 122.50	\$44,712.50
Crossroads Wilderness	35	96%	Mod	\$ 76.88	\$ 78.50	\$ 1.62	\$ 56.70	\$20,695.50
Florida Youth Academy L&M	36	97%	Mod	\$ 75.00	\$ 78.50	\$ 3.50	\$ 126.00	\$45,990.00
West Florida Wilderness	40	91%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 100.00	\$36,500.00
Kelly Hall	40	80%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 100.00	\$36,500.00
Eckerd Youth Academy	50	94%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 125.00	\$45,625.00
Okeechobee Re-Direct	50	97%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 125.00	\$45,625.00
MATS HWH	50	99%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 125.00	\$45,625.00
ATC-HWH	52	98%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 130.00	\$47,450.00
Martin County Boot Camp	60	56%	Mod	\$ 75.00	\$ 77.50	\$ 2.50	\$ 150.00	\$54,750.00

Pinellas Boot Camp	60	76%	Mod	\$	75.00	\$	77.50	\$	2.50	\$	150.00	\$54,750.00
Hendry HWH & Youth Dev. Academy	64	95%	Mod	\$	76.87	\$	77.50	\$	0.63	\$	40.32	\$14,716.80
The Greenville Hills Academy	67	97%	Mod	\$	75.00	\$	77.50	\$	2.50	\$	167.50	\$61,137.50
ARC-HWH	75	82%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	112.50	\$41,062.50
Bristol Youth Academy	80	93%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	120.00	\$43,800.00
*Stewart Marchman	94	95%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	141.00	\$51,465.00
Marion YDC	96	75%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	144.00	\$52,560.00
Okaloosa Youth	100	96%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	150.00	\$54,750.00
Gulf Coast Youth Academy	104	96%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	156.00	\$56,940.00
Polk Co. BC- M & F	110	62%	Mod	\$	75.00	\$	76.50	\$	1.50	\$	165.00	\$60,225.00
*Bay Point Kennedy and I Care West	178	74%	Mod	\$	75.00	\$	75.73	\$	0.73	\$	129.94	\$47,428.10
Avon Park Youth Dev. Ctr.	200	87%	Mod	\$	75.50	\$	75.72	\$	0.22	\$	44.00	\$16,060.00
Polk YDC	350	98%	High	\$	73.88	\$	74.50	\$	0.57	\$	199.50	\$72,817.50
Total Beds	2415											\$1,649,840.15

* Denotes a change in bed capacity during the FY

CAPACITY	# OF FACILITIES	# OF BEDS										
0-36 beds	17	495										
37-74 beds	10	533										
75-110 beds	7	659										
111-199 beds	1	178										
200-349beds	1	200										
350 beds	1	350										
total	37	2415										

METHODOLOGY FOR 2003 PER DIEM INCREASE

Pursuant to the General Appropriation 2003, which provides \$900,000 from General Revenue for per diem increases to address current inequities among providers, the Department has allocated the funds as follows:

1. The Department identified programs with the lowest per diems.
2. The Department increased each of these programs' per diem based on the size of the program according to the table below.

Number of Beds	New Per Diem	Number of Programs Affected
Specialized Mental Health 22 Beds	\$ 85.80	1
0 – 39	\$ 80.00	20
40 – 90	\$ 78.00	14
91 – 110	\$ 77.25	6
111 – 200	\$ 76.50	2
201 -- 305	\$75.00	1

Comparative Percentages
Per Diem Increase 2003

Contract #	Program Name	Beds	Risk Level	Current Per Diem	New Per Diem	Difference	Per Day	Annual
E9007	**Mandala*	22	Mod	\$ 82.00	\$ 85.80	\$ 3.80	\$ 83.60	\$30,514.00
I4F10	J D STOP	19	Low	\$ 78.50	\$ 80.00	\$ 1.50	\$ 28.50	\$10,402.50
S5F01	**GROVE- GUYS	22	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 33.00	\$12,045.00
B5D01	Seminole Work and Learn	24	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 36.00	\$13,140.00
A6I05	Santa Rosa Residential	25	Mod	\$ 78.99	\$ 80.00	\$ 1.01	\$ 25.25	\$9,216.25
D3E01	**Impact House	25	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 37.50	\$13,687.50
B4D02	**Savmill Academy	27	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 40.50	\$14,782.50
K4H02	Better Outlook Center	28	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 42.00	\$15,330.00
G8021	Space Coast Marine Inst.	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
B8022	Bay Boot Camp	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
K3H01	WINGS	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
F4G06	San Antonio Boys Village	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
L2G03	Manatee Boot Camp	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
H9005	Collier DRILL	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
S5F01	**GROVE- GUYS	30	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 45.00	\$16,425.00
G9014	**ATC-HWH	30	Mod	\$ 77.50	\$ 80.00	\$ 2.50	\$ 75.00	\$27,375.00
M4G01	**Bowling Green Youth Academy	32	Mod	\$ 78.81	\$ 80.00	\$ 1.19	\$ 38.08	\$13,899.20
F5G03	**Wilson Road Academy	32	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 48.00	\$17,520.00
H7040	Peace River OB	35	Low	\$ 78.50	\$ 80.00	\$ 1.50	\$ 52.50	\$19,162.50
H9004	Crossroads Wilderness	35	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 52.50	\$19,162.50
E8017/E9004	**Florida Youth Academy L&M	36	Mod	\$ 78.50	\$ 80.00	\$ 1.50	\$ 54.00	\$19,710.00
B9006	West Florida Wilderness	40	Mod	\$ 77.50	\$ 78.00	\$ 0.50	\$ 20.00	\$7,300.00
H9002	**Kelly Hall	40	Mod	\$ 77.50	\$ 78.00	\$ 0.50	\$ 20.00	\$7,300.00
A5D03	**E How Kee	45	Mod	\$ 77.05	\$ 78.00	\$ 0.95	\$ 42.75	\$15,603.75
A5D03	**E Kel Etnu	49	Mod	\$ 77.05	\$ 78.00	\$ 0.95	\$ 46.55	\$16,990.75
A5D03	**E Nini Hassee	46	Mod	\$ 77.05	\$ 78.00	\$ 0.95	\$ 43.70	\$15,950.50
A5D03	**E Tu Makee	48	Mod	\$ 77.05	\$ 78.00	\$ 0.95	\$ 45.60	\$16,644.00
A5D03	**E Ma Chamee	48	Mod	\$ 77.05	\$ 78.00	\$ 0.95	\$ 45.60	\$16,644.00
G9005	**Eckerd Youth Academy	50	Mod	\$ 77.50	\$ 78.00	\$ 0.50	\$ 25.00	\$9,125.00

2/6/2004

Comparative Percentages
Per Diem Increase 2003

I2F06	**Okeechobee Re-Direct	50	Mod	\$	77.50	\$	78.00	\$	0.50	\$	25.00	\$9,125.00
L5G01	**MATS HWH	50	Mod	\$	77.50	\$	78.00	\$	0.50	\$	25.00	\$9,125.00
T3F02	Martin County Boot Camp	60	Mod	\$	77.50	\$	78.00	\$	0.50	\$	30.00	\$10,950.00
F5G01	Pinellas Boot Camp	60	Mod	\$	77.50	\$	78.00	\$	0.50	\$	30.00	\$10,950.00
B5D02	**The Greenville Hills Academy	67	Mod	\$	77.50	\$	78.00	\$	0.50	\$	33.50	\$12,227.50
P9023	Bristol Youth Academy	80	Mod	\$	76.50	\$	77.25	\$	0.75	\$	120.00	\$43,800.00
G5E02/G5E01	**Stewart Marchman	94	Mod	\$	76.50	\$	77.25	\$	0.75	\$	70.50	\$25,732.50
P9014	**Marion YDC	96	Mod	\$	76.50	\$	77.25	\$	0.75	\$	72.00	\$26,280.00
G9004	**ARC-HWH	75	Mod	\$	76.50	\$	77.25	\$	0.75	\$	56.25	\$20,531.25
A8002	**Okaloosa Youth	100	Mod	\$	76.50	\$	77.25	\$	0.75	\$	75.00	\$27,375.00
A5D01	**Gulf Coast Youth Academy	104	Mod	\$	76.50	\$	77.25	\$	0.75	\$	78.00	\$28,470.00
J4G02	Polk Co. BC- M & F	110	Mod	\$	76.50	\$	77.25	\$	0.75	\$	82.50	\$30,112.50
K9021	**Bay Point Kennedy and I Care West (50 BHOS)	178	Mod	\$	75.73	\$	76.50	\$	0.77	\$	137.06	\$50,026.90
N7019	**Avon Park Youth Dev. Ctr. (16 MHOS)	200	Mod	\$	75.72	\$	76.50	\$	0.78	\$	156.00	\$56,940.00
J5G01	**Polk YDC (20 MHOS)	350	High	\$	74.48	\$	75.00	\$	0.52	\$	182.00	\$66,430.00
	Total Beds	2692										\$902,805.60

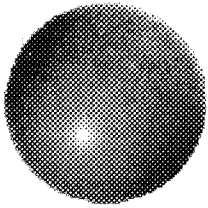
*Lowest Per Diem for Specialized Mental Health; ** Programs w/overlay slots; Highlighted programs not on last years list

CAPACITY	# OF FACILITIES	# OF BEDS										
Specialized Mental Mental	1	22										
0-39 beds	20	580										
40-90	14	783										
91-110	6	579										
111-200 beds	2	378										

Comparative Percentages Per Diem Increase 2003

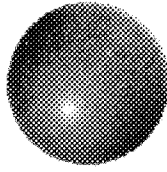
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Juvenile Justice Rate Study



**A Presentation to the
Senate Appropriations Subcommittee
on Criminal Justice**

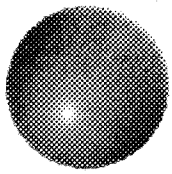
**Mark Fontaine, Executive Director
Florida Juvenile Justice Association**



Juvenile Justice

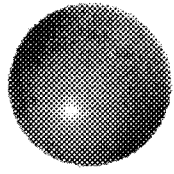
Accomplishments

- 2001 rate of delinquency referrals per 1000 youth is 20% less than 1991 (during same period, 35% increase in 10-17 population.)
- Arrests for assaults down 7% (Since 1999)
- Arrests for auto theft down 19% (Since 1999)
- 60% of youth exiting a residential program stay crime free (Up from 51.6% in 1998).
- Fewer youth sent to adult court, youth in adult prisons down 37% (Since 1999)
- Escapes from residential facilities have decreased by 65.3% in past 5 years.
- Quality assurance scores improving: In 2003, 53% earned deemed status; In 2001, 33% earned deemed status.
- IDDS success rate of 83% (Only 17% re-offend or convicted of a crime that occurred within one year of release from IDDS.)



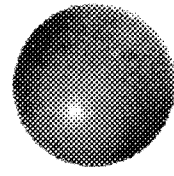
Contracted Per Diem Rates

Low Risk	\$85	Established 1990
Moderate Risk	\$75	Established 1990
High Risk	\$95	Established 1990
Maximum Risk	\$127	Established 1994
IDDS	\$11.50	Established 2000



Increased Cost

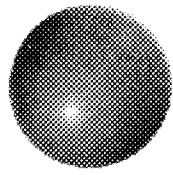
- **Inflation**
- **Health Care Costs**
- **Workman's Compensation**
- **Insurance**
- **Pharmacy**
- **Fuel**



Increased

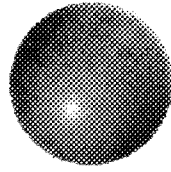
Accountability

- **Annual Quality Assurance Review**
- **Annual PAM and Outcome Reports**
- **Annual Security Audit**
- **Escape & Incident Accounting**
- **Monthly Contract Monitoring**



Increased Administrative Requirements

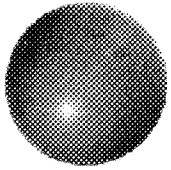
- **Contract & Policy Requirements**
- **Mandatory Forms**
- **PAR & Mental Health Training**
- **Transportation**
- **Facility Costs**



Rate Study Analysis Initiated By The Department of Juvenile Justice

PHASE 1 - 2000

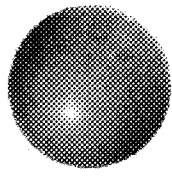
- **Contract with James Moore & Company Accountants**
- **Audit of 225 programs (both state & provider operated)**
- **Purpose – Provide comprehensive analysis of rates paid for services across continuum**
- **Audits provided on-site review of 225 programs verifying cost of service delivery.**



Rate Study Analysis Initiated By the Department of Juvenile Justice

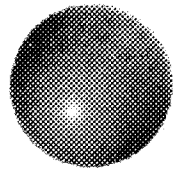
PHASE 2 - 2001

- Rate Study Steering Committee – Dept. and Providers
- Five workgroups created, each chaired by provider CEO & Department Assistant Secretary
- Department & Provider experts assigned to each group
- Each group charged w/ thorough review of content area & recommendations for action
- KPMG & MAXIMUS hired to assist effort



Workgroups

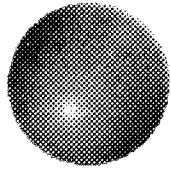
- **Administrative Efficiencies**
- **Program Efficiencies**
- **State to State Comparison**
- **Funding Sources**
- **Cost Model Development**



Zero Based Cost Model

Variables (Care & Custody)

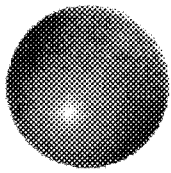
- 24, 48, 96 Bed Models
- Non-Secure (Low/Moderate) & Secure (High/Max)
- Utilized Required Staffing Ratios
- FTE = 1704 Hours of Coverage
- Case Management 1:24, Nursing 1:48, Recreation Coordinator 1:96, Transportation 1:24, Clerical 1:24
- Benefits at 30%, Lapse at 3%
- 10 Year Replacement of Equipment
- Minimal Medical



Cost Model Workgroup

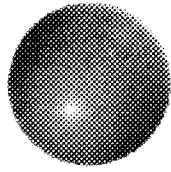
Findings

- Salaries lower than comparable positions in DOC & DCF
- Care & Custody salaries so low, hard to recruit and retain competent professionals
- Turnover rate of **55%** for care & custody staff (Source: KPMG)
- Cost of Service Delivery increases annually
- Existing rates, in some cases, 30% below amount needed to provide adequate care.
- Cost differential needed for girls programs
- Cost differential needed for providers in their own facilities
- Need to collect information on true cost of non-reimbursed medical expenses
- Need an appropriate mechanism to adjust for cost of living increases; only way to maintain service delivery and quality.

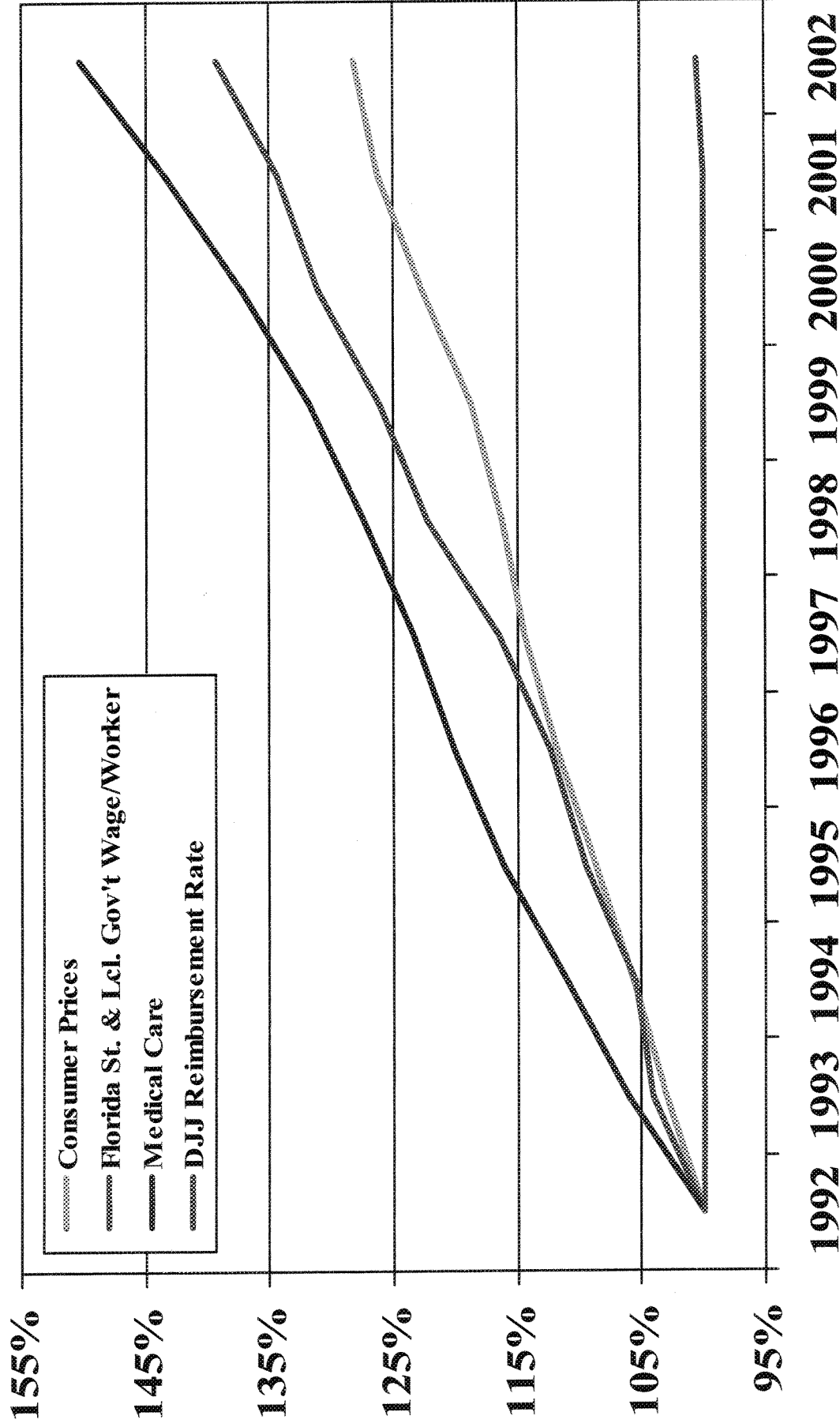


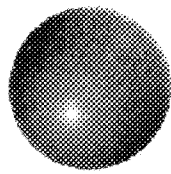
Residential Programs by Model Rate Comparison by Percentage of Model Rate

	Number	% of All Programs
Programs Funded Below 70% of Model Rate	3	2%
Programs Funded Below 75% of Model Rate	13	10%
Programs Funded Below 80% of Model Rate	22	17%
Programs Funded Below 85% of Model Rate	26	20%
Programs Funded Below 90% of Model Rate	27	20%
<i>TOTAL NUMBER OF CONTRACTED PROGRAMS</i>	<i>91</i>	<i>69%</i>

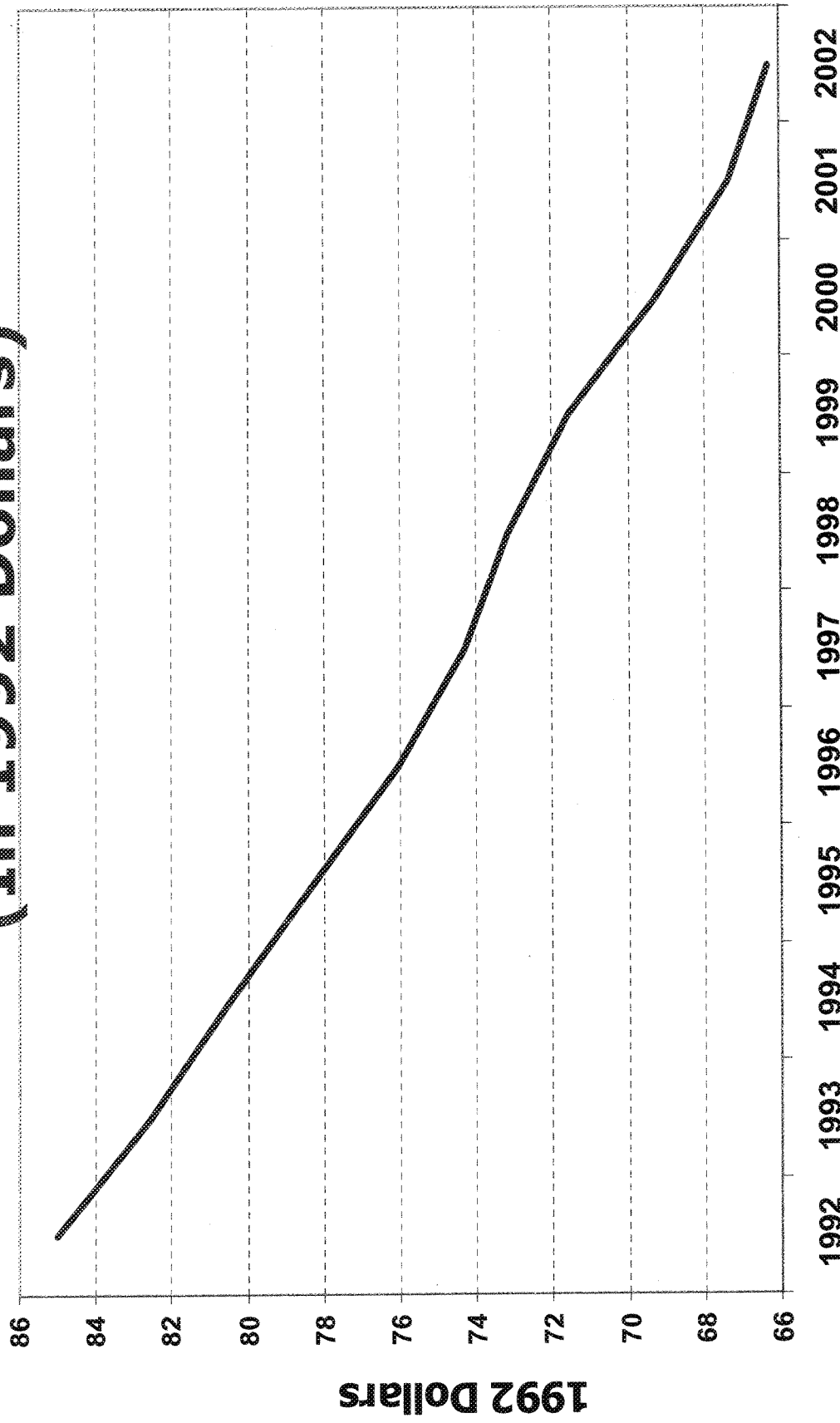


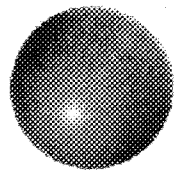
Cost-Of-Living vs. Reimbursement





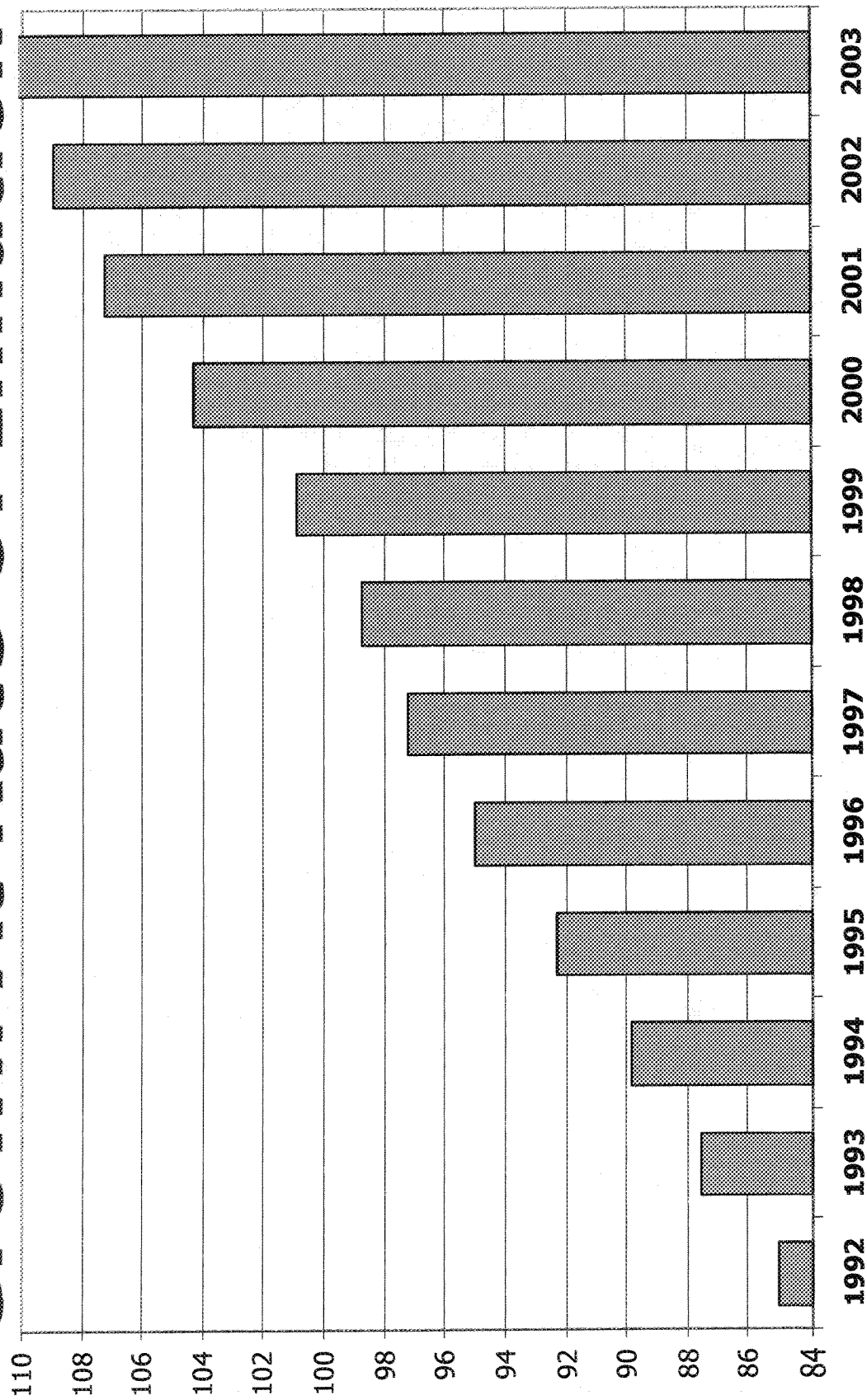
Purchasing Power of the Reimbursement Rate (In 1992 Dollars)

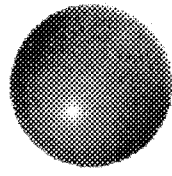




Reimbursement Rate

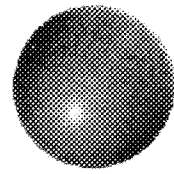
Grown At Rate Of Inflation





Public Safety and Investigative Positions Salary Comparisons

	<u>Minimum</u>	<u>Maximum</u>
Department of Corrections Correctional Officer	\$28,461.72	\$40,823.52
Department of Corrections Probation Officer	\$30,928.44	\$46,788.76
Department of Children & Families Protective Investigator	\$31,000.00	\$37,000.00
Department of Juvenile Justice Juvenile Detention Officer	\$24,009.44	\$36,929.62
Department of Juvenile Justice Juvenile Probation Officer	\$27, 651.78	\$43,731.74
*Contracted Care and Custody Staff	\$16,640.00 (at \$8.00/hour)	\$24,960.00 (at \$12/hour)

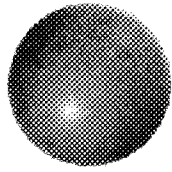


Employee Compensation Comparison

Fiscal Year	State of Florida Employee Salary Increases Provided by Legislature*	Provider Salary Increases**
2003-2004	2.0% [\$1,400 Maximum]	0.00
2002-2003	2.5%	0.00
2001-2002	2.5%	0.00
2000-2001	2.5%	0.00
1999-2000	2.8%	0.00
1998-1999	2.78%	0.00
1997-1998	2.78%	0.00
1996-1997	3.0%	0.00
1995-1996	3.0%	0.00
1994-1995	0.0%	0.00
1993-1994	4.0%	0.00

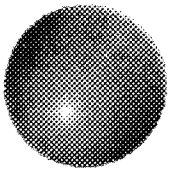
*Data provided by Florida Department of Management Services, Human Resource Management Office.

** Any salary increases have to come from capped contract amounts. Legislature did give \$1.6 million adjustment in FY 2002-2003 and \$900,000 in FY 2003-2004.



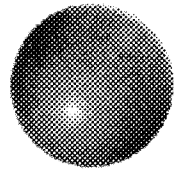
Aggregated Weighted Turnover





In 2002, health insurance premiums rose at a rate eight times faster than general inflation, which is the largest one-year surge in more than a decade.

National Coalition on Health Care, Facts on Health Insurance Costs <http://www.nchc.org>

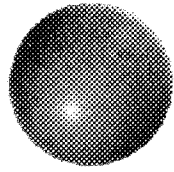


Medical Expenses for Correctional Programs

Fiscal Year	DOC Medical Reimbursement Per Inmate/Per Day	DJJ Medical Reimbursement Per Inmate/Per Day
2001-2002	\$10.06	\$0.00
2001-2001	\$9.93	\$0.00
1999-2000	\$9.50	\$0.00
1998-1999	\$9.40	\$0.00
1997-1998	\$9.30	\$0.00
1996-1997	\$8.75	\$0.00

**** Increased cost of medical care paid out of per diem rate.**

(Data from Florida Department of Corrections Annual Reports FY 1996-2002)

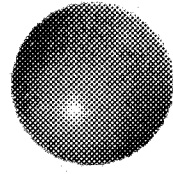


Rate Adjustment

(Since 1992)

Fiscal Year	Total	Per Bed
FY 02-03	\$1.65 Million	< \$.01 Day
FY 03-04	\$900,000	< \$.01 Day





Survival Strategies Employed By Providers

- Spreading Administration Across Multiple Contracts
- Leasing Employees
- Pooled Purchasing
- Reducing Employee Benefits and/or Requiring Higher Co-Pay
- No Retirement
- Supplementing Available Funding
- Larger Programs
- Reducing Maintenance of Facilities
- Holding Positions Open
- Deleting Positions
- Staff Turnover
- Less Qualified Staff
- Staff Not Adequately Trained
- Inadequate Clerical Support